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Message Text

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13
ACTION NEA-09

INFO OCT-01 ISO-00 EB-07 RSC-01 /018 W
---------- 106061
R 210749Z JAN 75
FM AMEMBASSY KUWAIT
TO USDOC WASHDC
AMEMBASSY TEHRAN
INFO SECSTATE WASHDC 1999
AMEMBASSY ABU DHABI
AMEMBASSY BEIRUT
AMEMBASSY JIDDA
AMEMBASSY MANAMA

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E.O. 11652: N/A
TAGS: ETEL, BMEP, KU
SUBJECT: KUWAIT EARTH SATELLITE STATION

REF: A) KUWAIT 0091 B) STATE 12439

1. EMBOFF MET WITH LEADING TECHNICAL OFFICIAL AT MINISTRY POSTS, TELEPHONE AND TELEGRAPH (MPTT), ABDULAZIZ AL-AYOUB, TO DISCUSS POINTS RAISED REF A. AL-AYOUB CONFIRMED THAT MPTT REQUIRED BEAM WAVE ANTENNA FOR NEW STATION. WE AWARE THAT ONLY HITACHI, MITSUBISHI, AND E SYSTEMS MANUFACTURED THIS TYPE ANTENNA. HOWEVER, HE CLAIMED THIS PRESENTLY MOST ADVANCED TECHNOLOGY IN THE FIELD AND SUGGESTED THAT ANY OTHER COMPANIES WISHING TO BID UTILIZE ANTENNA FROM ONE OF THESE THREE FIRMS, CLAIMING ANTENNA REPRESENTED LESS THAN ONE-THIRD THE COST OF A COMPLETE STATION. DURING CONVERSATION AL-AYOUB INDICATED MPTT HAS HAD EXTEMELY SLOW APRE PARTS SERVICE FROM JAPANESE FIRMS WITH WHOM THEY HAVE DEALT. MOREOVER HE CLAIMED ON OCCASIONS WHEN HE ORDERED PARTS FROM U.S. COMPANIES SERVICE WAS EXCELLENT.

2. AL-AYOUB STATED GENERAL CONTRACT CONDITIONS SET FORTH IN TENDER REPRESENTED NO DEPARTURE FROM PREVIOUS GOK TENDERS. ALL GOK TENDERS HANDLED THROUGH CENTRAL TENDERS COMMITTEE (CTC) AND THEY HAVE RE-
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SPONSIBILITY FOR SETTING GENERAL CONTRACT TERMS WHICH, IN OUR VIEW,

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CORRECT.

3. REGARDING SUBMISSION DEADLINE WE DID NOT FEEL IN POSITION TO ASK FOR EXTENSION WITHOUT ABSOLUTE ASSURANCE THAT A QUALIFIED U.S. COMPANY WOULD BID. MOREOVER, SINCE LOCAL AGENT REQUIRED FOR ALL TENDERS IN KUWAIT MAKES MORE SENSE FOR U.S. COMPANY TO REQUEST EXTENSION THROUGH LOCAL AGENT WHICH EMBASSY WOULD THEN SUPPORT.

4. ACTION REQUESTED: BELIEVE COMMERCE AND EMBASSY TEHRAN SHOULD CONTACT E SYSTEMS AS WOULD APPEAR THEY HAVE BEST OPPORTUNITY AMONG U.S. FIRMS TO WIN THIS TENDER EITHER INDIVIDUALLY OR IN CONSORTIUM WITH OTHER U.S. COMPANIES. FYI. HOWEVER, WE HAVE REASON TO BELIEVE E SYSTEMS AGENT, AL-RASHED, REPRESENTING FRENCH COMPANY THIS TENDER. END FYI. IF E SYSTEMS UNABLE TO BID WOULD THEN SUGGEST OTHER U.S. COMPANIES BE URGED TO ENTER FRAY IF THEY BELIEVE THEY CAN SUBMIT COMPETITIVE BID UTILIZING ANTENNA SOURCED FROM OUTSIDE THEIR COMPANY.

5. COMMENT: WE TOO HAVE HEARD RUMORS THAT JAPANESE FAVORED ON THIS TENDER BUT BELIEVE THIS BECAUSE OF REQUIRMENT FOR BEAM WAVE ANTENNA AND BECAUSE SOME THINK ONE HIGH MPTT OFFICIAL STANDS BENEFIT FROM THEIR SUCCESS. ON OTHER HAND WE HAVE NOW TALKED WITH TWO LEADING OFFICIALS ON PROJECT WHO SEEM TO HAVE RESERVATIONS ON JAPANESE PERFORMANCE VIS-A-VIS U.S. COMPANIES. BOTH THESE OFFICIALS U.S. EDUCATED AND WELL DISPOSED TOWRARDS U.S. TECHNOLOGY. INTERESTINGLY, AL-AYOUB CLAIMED PREVIOUS INFORMATION GIVEN EMBASSY REGARDING INTERNATIONAL TELEPHONE EXCHANGE WAS ERRONEOUS AND THAT U.S. COMPANY (ITT) HAD BID AND IS IN STRONG COMPETION WITH SWEDISH FIRM L.M. ERICSON TO TAKE TENDER. HOWEVER, IT MAY WELL BE THAT THIS FOREIGN SUBSIDIARY OF ITT.
STOLTZFUS

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